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SECOND QUARTER 2010 ATLANTA MARKET REVIEW

# WELCOME

Data in this report are sourced from Coldwell Banker's proprietary Universal Database, a unique tool for providing comprehensive market data. The Universal Database provides numbers from both FMLS and MLS without duplication, allowing for analysis of niche markets down to a Zip Code level at all price points. While this report focuses on the 15 counties that surround metro-Atlanta, we realize that all real estate is local and are happy to provide more localized market data.

## **SINGLE FAMILY**

Consumer demand has declined precipitously with the recent expiration of the Federal tax credit. May and June are typically the best months for pending home sales in anticipation of closing prior to school starting in August. In May, 2010, pending home sales dropped 46% from April, 2010, however June, 2010 was up by 6% over May volume. Although it is a positive sign to see an increase in pending home sales, this number is still down 15% over June, 2009. There is also a sense of caution among builders in buying vacant developed lots. Opportunities for resets can, however, be found with accurate analysis and due diligence for proper positioning within a niche market.

## **MULTI-FAMILY**

Preliminary numbers point to positive signs in the multi-family market as well. Pending home sales for both new and resale in June, 2010 were up over 200% over June, 2009 and were also up 80% over May, 2010 volume. It is important to note that more than half of the June, pending home sales were of distressed homes (foreclosed, short-sale, lender-owned, and corporate owned). New construction home data are not complete because not every home is listed. However later in the 3rd quarter, deed-based transactions will provide a much more accurate picture of the multi-family new construction market.

**Note:**

The data provided in the following sections will be provided on a 15-county level. For more specific, localized data, please contact the Market Intelligence department.



# ATLANTA MARKET REVIEW

## ABSORPTION

<u>New Construction</u>	<u>Condominium / Townhome</u>	<u>Single-Family</u>	<u>Combined</u>
2Q09	579	2,056	2,635
change	-0.9%	-16.0%	-12.6%
2Q10	574	1,728	2,302
1Q10	475	1,408	1,883
<b><u>Resale Only</u></b>			
2Q09	2,890	13,421	16,311
change	-8.4%	+27.6%	+21.2%
2Q10	2,646	17,131	19,777
1Q10	2,393	11,322	13,715

Source: Coldwell Banker Universal Database®

## CURRENT INVENTORY

<u>New Construction</u>	<u>Condominium / Townhome</u>	<u>Single Family</u>	<u>Combined</u>
As of end 2Q09	4,064	7,470	11,534
change	-31.1%	-17.3%	-22.2%
As of end 2Q10	2,800	6,174	8,974
As of end 1Q10	3,072	5,467	8,539
<b><u>Resale Only</u></b>			
As of end 2Q09	12,808	41,420	54,228
change	+7.5%	+62.7%	+49.6%
As of end 2Q10	13,763	67,379	81,142
As of end 1Q10	13,029	49,788	62,817

Source: Coldwell Banker Universal Database®



All information is believed to be accurate but is not warranted.

# ATLANTA MARKET REVIEW

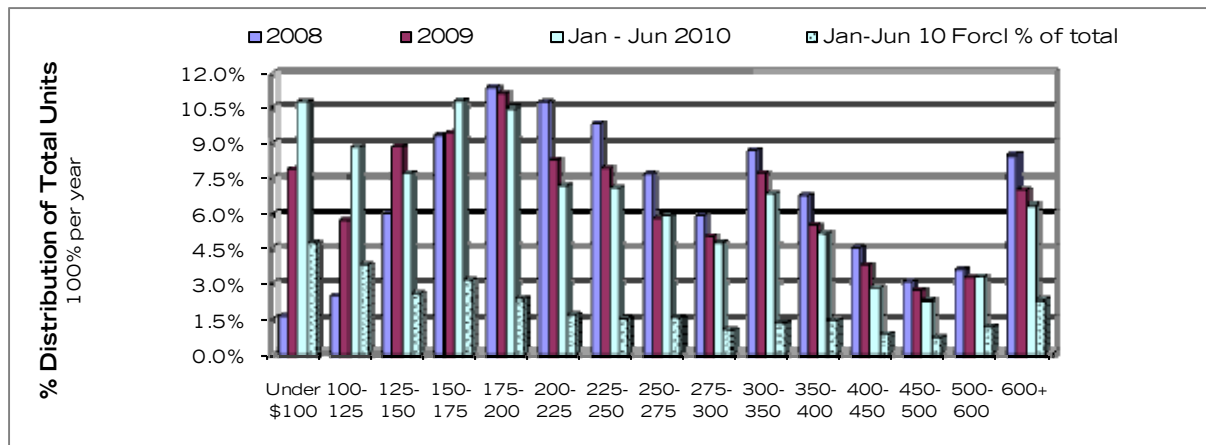
## AVERAGE SALES PRICE

<u>New Construction</u>	<u>Condominium / Townhome</u>	<u>Single-Family</u>
2Q09	\$200,789	\$293,687
change	-1.1%	-11.6%
2Q10	\$198,518	\$259,666
1Q10	\$228,829	\$274,195
<b><u>Resale Only</u></b>		
2Q09	\$121,414	\$165,343
change	+0.3%	+12.4%
2Q10	\$121,747	\$185,815
1Q10	\$115,899	\$161,514

Source: Coldwell Banker Universal Database®

## A CLOSER LOOK AT SINGLE FAMILY PRICES

NEW CONSTRUCTION—TOTAL UNIT SALES BY PRICE



- Of the 3,106 new construction sales through 2Q10, 48.5% were priced under \$100k
  - Foreclosure activity represented 30% of the total new construction sales for the period

Coldwell Banker NRT Development Advisors—All information is believed to be accurate but is not warranted.

# ATLANTA MARKET REVIEW

## DISTRESSED SALES:

Distressed sales are sourced from the Coldwell Banker Universal Database and include foreclosures, corporate-owned, lender-owned, and short sale pre-approved listings.

## NEW CONSTRUCTION

<u>Single-Family</u>	<u>Absorption (Closed Units)</u>	<u>% of Total New Construction Sales</u>	<u>Sales Price</u>
2Q09	580	28.2%	\$264,822
change	-16.9%	+1.8%	-4.4%
2Q10	482	28.7%	\$253,243
1Q10	441	31.3%	\$256,353
<u>Condominium / Townhome</u>			
2Q09	114	19.7%	\$153,522
change	+7.9%	+8.6%	+0.9%
2Q10	123	21.4%	\$154,947
1Q10	78	16.4%	\$140,245

Source: Coldwell Banker Universal Database®

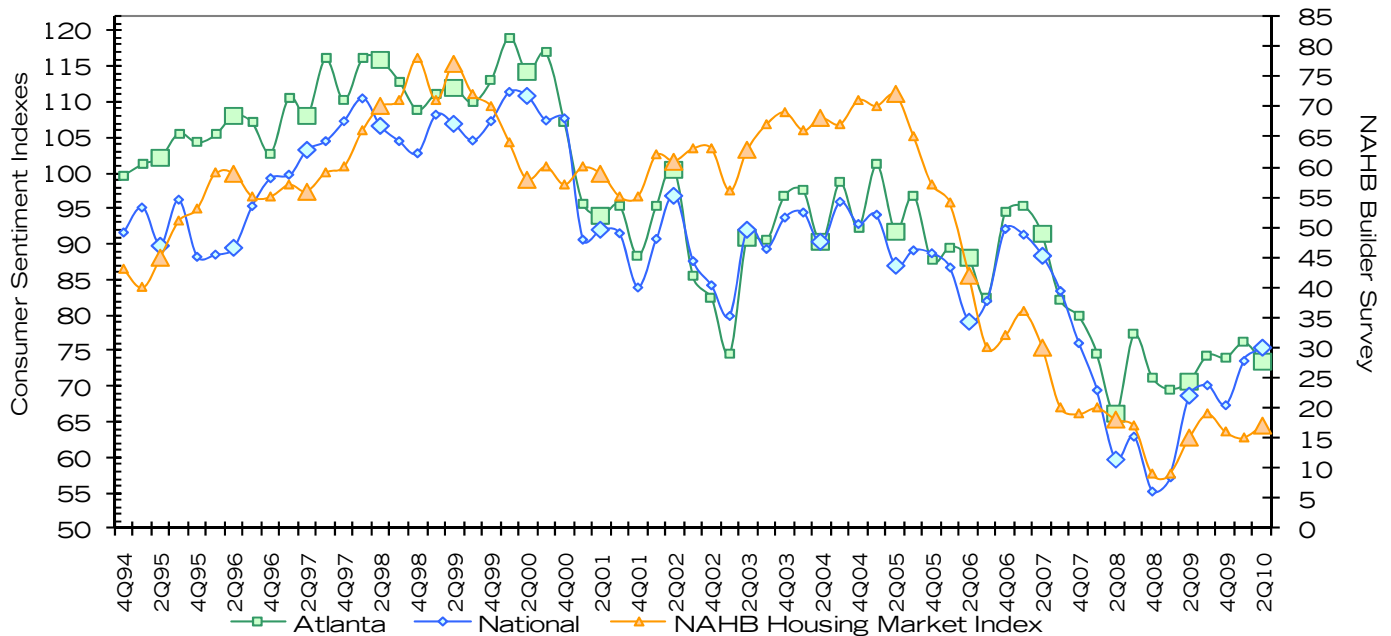
## RESALE

<u>Single-Family</u>	<u>Sales Volume</u>	<u>Percentage of Total Sales</u>	<u>Sales Price</u>
2Q09	5,080	37.9%	\$108,136
change	+14.4%	-6.3%	+9.8%
2Q10	5,812	35.5%	\$118,747
1Q10	5,139	45.4%	\$112,622
<u>Condominium / Townhome</u>			
2Q09	1,141	39.5%	\$82,688
change	-9.0%	-0.8%	+3.6%
2Q10	1,038	39.2%	\$85,696
1Q10	1,055	44.1%	\$80,263

Source: Coldwell Banker Universal Database®

# ATLANTA MARKET REVIEW

## Atlanta Consumer Sentiment Index



Concerns over growth and labor markets are likely paramount on consumer minds, but how they see the economy has been getting mixed—and inconsistent—reviews. The University of Michigan's Index of Consumer Sentiment rose from 73.6 in May to 76.0 in June, largely due to improvement in current conditions, rather than a more bullish longer-term outlook. The director of the Michigan survey, Richard Curtin, noted that "the June survey indicated that consumers expect economic growth to slow and as a result, anticipate that the unemployment rate will remain largely unchanged through the balance of the year. Weak financial prospects, including lackluster job and income growth, as well as tight credit remain the primary constraint to a more robust spending outlook.

As many analysts predicted, the expiration of the \$8,000 housing tax credit led to a drop off in housing activity nation-wide. Sales of new single family homes declined by 32.7% in May to a seasonally adjusted rate of 300,000 units—the lowest sales pace since the government started keeping track in 1963. NAHB Chief Economist David Crowe noted that "because many buyers moved quickly to take advantage of the tax credit, sales that would have taken place in May or June were likely pulled forward to meet the program's deadline, which is why we have been projecting softer sales numbers for the second quarter. However, once this 'hangover' subsides, we do believe that the improving economy, rising employment, excellent mortgage rates, and stabilizing home values will be strong incentives that will encourage home buyers to return to the market."

# SINGLE FAMILY SUB-MARKET PROFILE

Overview of single family activity 2Q10, new construction and resale - including foreclosures

New Construction	2nd Qtr	Average Sales Price	YTD	Avg DOM solds	Avg SP/LP%	Active Listings	Avg DOM active	Total Mo. Supply
	Sales		2010 Sales					
15-County Total	1,728	\$258,484	3,106	206	93.1	6,174	196	11.9
Cherokee	94	\$293,175	180	200	93.5	466	195	15.5
Cobb	158	\$386,859	264	178	94.2	598	172	13.6
DeKalb	76	\$315,464	152	181	94.3	408	190	16.1
Gwinnett	294	\$253,254	534	205	91.3	1,099	203	12.3
Hall	47	\$317,228	110	196	90.5	250	197	13.6
Forsyth	138	\$300,180	259	168	92.3	516	163	12.0
Paulding	78	\$164,496	134	191	92.7	288	188	12.9
Fulton, North	94	\$592,292	180	187	91.5	520	158	17.3
Fulton, South	182	\$176,562	281	203	95.9	526	266	11.2
Clayton	96	\$111,789	154	166	94.1	213	212	8.3
Coweta	109	\$237,265	177	185	97.1	260	241	8.8
Douglas	75	\$204,925	118	209	90.6	232	214	11.8
Fayette	22	\$414,655	44	206	93.8	98	175	13.4
Henry	159	\$167,110	298	304	93.2	399	230	8.0
Newton	73	\$118,191	135	228	93.8	191	158	8.5
Rockdale	33	\$190,540	58	226	94.7	89	307	9.2

Resale	2nd Qtr	Average Sales Price	YTD	Avg DOM solds	Avg SP/LP%	Active Listings	Avg DOM active	Total Mo. Supply
	Sales		2010 Sales					
15-County Total	17,131	\$185,610	27,983	131	94.7	67,379	130	14.4
Cherokee	876	\$187,629	1,391	127	94.2	4,170	124	18.0
Cobb	2,312	\$215,642	3,710	120	95.3	10,477	112	16.9
DeKalb	2,410	\$173,327	3,962	117	95.2	8,250	121	12.5
Gwinnett	3,038	\$169,637	4,874	150	94.5	11,739	140	14.5
Hall	583	\$166,644	924	162	92.6	3,105	150	20.2
Forsyth	813	\$274,907	1,225	109	94.5	3,490	130	17.1
Paulding	760	\$112,713	1,193	126	96.8	2,479	141	12.5
Fulton, North	1,684	\$400,838	2,672	119	93.7	8,521	122	19.1
Fulton, South	1,227	\$81,016	2,170	129	96.5	4,282	153	11.8
Clayton	880	\$54,847	1,490	136	92.1	1,797	168	7.2
Coweta	381	\$153,157	667	147	95.0	1,347	163	12.1
Douglas	523	\$113,723	868	136	93.8	2,132	141	14.7
Fayette	285	\$242,375	477	146	95.2	1,321	142	16.6
Henry	660	\$125,674	1,151	153	95.2	1,914	142	10.0
Newton	397	\$86,745	695	152	93.8	1,101	159	9.5
Rockdale	272	\$123,665	462	132	97.0	995	167	12.9

Note: DOM is calculated on the current brokers listing date.

Source: Coldwell Banker Universal Database ©

Coldwell Banker NRT Development Advisors - All information is believed to be accurate but is not warranted.

**For more information, please contact the Business Development Department**

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